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FRM-FRANCE-CASEY

BY ANDREW HUBLEY

WASHINGTON, May 12, REUTER -- CIA DIRECTOR WILLIAM CASEY SAID TODAY IT WAS TOO EARLY TO TELL WHAT IMPACT THE ELECTION OF SOCIALIST FRANCOIS MITTERRAND AS FRANCE'S PRESIDENT WOULD HAVE ON WESTERN DEFENSE POLICIES.

"FRANCE IS, OF COURSE, THE HEART OF EUROPEAN DEFENSE," MR CASEY SAID. "I THINK THERE'S REASON TO HOPE MITTERRAND WILL MAINTAIN THIS POLICY."

BUT MR CASEY TOLD A GROUP OF U.S. AND FOREIGN FINANCIAL ANALYSTS: "IT IS REALLY TOO EARLY TO TELL."

"WE REALLY WILL NOT BE ABLE TO TELL HOW IT IS GOING TO GO UNTIL WE SEE HOW THE LEGISLATIVE ELECTIONS TURN OUT," HE SAID.

MR MITTERRAND, WHO DEFEATED INCUMBENT PRESIDENT VALERY GISCARD D'ESTAING TWO DAYS AGO, HAS ANNOUNCED PLANS TO HOLD PARLIAMENTARY ELECTIONS NEXT MONTH.

MR CASEY SAID IT REMAINED TO BE SEEN WHETHER CONTROL OF THE NEW FRENCH PARLIAMENT WOULD SHIFT TO MR MITTERRAND'S SOCIALIST PARTY OR REMAIN IN THE HANDS OF THE CENTRIST COALITION.

HE SAID THAT UNDER MR GISCARD D'ESTAING, THE FRENCH WERE VERY CONCERNED ABOUT SOVIET AND CUBAN INTERVENTION IN AFRICA. *
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"I WOULD HOPE THAT FRANCOIS MITTERRAND WOULD MAINTAIN THAT CONCERN," MR CASEY SAID. "I THINK THAT IT IS IN THE NATIONAL FRENCH INTEREST."

ON ANOTHER SUBJECT, MR CASEY SAID HIS INTELLIGENCE REPORTS REVEALED THAT THE SOVIET UNION HAD FOUND AFGHANISTAN TO BE A "HORNET'S NEST" SINCE IT INTERVENED THERE IN DECEMBER 1979.

"THE AFGHAN REBELS, FREEDOM FIGHTERS, ARE PUTTING UP A WHOLE OF A FIGHT AND THE SOVIETS ARE PRETTY WELL BOGGED DOWN," THE CIA DIRECTOR SAID.

"THEY (THE SOVIETS) HOLD SIX MAJOR CITIES AND ONE SET OF MAIN ROADS," MR CASEY SAID. "THE REST OF THE COUNTRY BELONGS TO THE AFGHANS AND THE SOVIET SOLDIERS GO OUT ON THE STREETS AT NIGHT AT THEIR OWN PERIL."

DURING A QUESTION AND ANSWER PERIOD, MR CASEY WAS ASKED HOW MUCH PETROLEUM THE SOVIET UNION HAD.

"THEY HAVE RESOURCES IN SIBERIA," HE SAID. "BUT IT IS HARD TO SEE HOW THEY ARE GOING TO BE ABLE TO MAINTAIN THE LEVEL OF MILITARY SPENDING THEY ARE NOW MAINTAINING AND FIND THE CAPITAL TO DEVELOP THOSE RESOURCES."

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